



Submitted by	Joint Parties	Date Submitted
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**PacifiCorp Comments on the Real-Time Market Neutrality
Draft Final Proposal**

PacifiCorp hereby submits the following comments to the California Independent System Operator Corporation (“CAISO”) on the Real-Time Market Neutrality Draft Final Proposal published May 30, 2019, (“Draft Final Proposal”). PacifiCorp appreciates the opportunity to provide comments for the CAISO’s consideration.

Given the significant and ongoing financial impact of the settlement issues described in the Draft Final Proposal, PacifiCorp appreciates the CAISO’s efforts to quickly obtain EIM Governing Body and Board of Governors approval, file tariff revisions with the Federal Energy Regulatory Commission, and implement corrections as soon as possible. PacifiCorp is supportive of the CAISO’s proposals as set forth in the Draft Final Proposal, as an interim solution to address the most immediate calculation problems identified in the real-time imbalance energy offset charge code.

The proposed tariff change is a necessary, but not sufficient, step. While supportive of an immediate fix to remedy the continuing financial impact, the CAISO must conduct a follow-on or second phase of this initiative involving a more thorough, transparent, and comprehensive assessment of both: 1) whether and how past charges were required by the CAISO tariff; and 2) whether durable processes are in place going forward to ensure that these types of unnecessary and unintended consequences are not repeated. The gravity of the issues identified in this initiative—both the application of a greenhouse gas cost to entities outside of California and the erroneous and duplicative EIM transfer adjustment—warrants a closer look. To the extent errors can be retroactively corrected consistent with applicable laws, the CAISO should do so. To the extent the CAISO believes that there are legal constraints to retroactive corrections, the CAISO must explain with specificity its justification for not seeking to correct historical errors. Based on initial assessments, the harm caused by these errors since the inception of the EIM in 2014 is material and has reduced the benefits of participation in the EIM. In light of this, general statements made by CAISO staff thus far that all charges were required by its tariff are not sufficient. PacifiCorp therefore recommends that the CAISO conduct a transparent and thorough assessment of its specific tariff requirements and options for enabling settlement corrections.



Comments on Draft Final Proposal

In the Draft Final Proposal, the CAISO has proposed three options to clarify submission of ETSR schedules with 5-minute granularity:

1. RTD EIM Transfer Schedules are deemed delivered.
2. EIM BAA with ETSR tagging responsibility, submits ALL ATF EIM Transfer Values (MW) to Settlements through EIM Real Time Interchange Schedule. These values should be shaped to reflect RTD ETSR Dispatches.
3. Current tagging requirements remain in effect. Settlement shapes the submitted ETSR ATF values to reflect RTD ETSR Dispatches.

PacifiCorp supports and prefers Option 1. This change would provide data consistency and transparency. While there may still be discrepancies between what may be deemed as delivered energy, PacifiCorp believes that this would standardize ETSR transfers to known and accepted values. Adoption of Option 1 would also provide EIM Entities with an expedited resolution to the issue of an EIM Entity not having visibility to the after-the-fact real-time interchange schedule (“RTIS”) data submitted by another EIM Entity on a shared ETSR. One potential issue that PacifiCorp would like addressed is the possibility or ability for entities to dispute and investigate market awards/results that, due to various causes, may not be true to what was delivered.

PacifiCorp opposes Option 2. This option would add additional complexity to the after-the-fact ETSR submissions, without adding any benefit over Option 1. In essence, EIM Entities would simply be required to submit values in accordance with the binding market results. In addition, this option does not resolve any variations between how entities calculate these values, nor will it increase transparency of data between EIM Entities with shared ETSRs. It would also require more validation and oversight than current requirements necessitate. In addition, if these changes would need to be implemented by Fall 2019, vendors may not be able to provide software enhancements and adequate testing to be able to support these new requirements in this expedited timeframe.

PacifiCorp does not prefer, but would support Option 3. This change would provide increased accuracy in ETSR transfers while minimizing required software modifications. However, this option would still require additional data transparency and validation to ensure accuracy of submissions for ETSRs shared between EIM Entities. If the CAISO were to adopt Option 3, PacifiCorp requests that the CAISO expedite enhancements to provide data transparency to RTIS after-the-fact data submitted by another EIM Entity of a shared ETSR. PacifiCorp would also ask the CAISO to consider adding additional provisions into its EIM BPM which would require the submitting EIM Entity responsible for after-the-fact RTIS submissions to make a final submission of after-the-fact RTIS for a given trade date prior to 168 hours after the trade date to account for any e-Tag changes after the initial submission.

Conclusion

PacifiCorp appreciates the CAISO’s consideration of these comments.